

**STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE
45 Fremont Street, 21st Floor
San Francisco, California 94105**

RH04035204

June 22, 2005

**PROPOSED PLAN OF OPERATIONS TEXT
CALIFORNIA AUTOMOBILE ASSIGNED RISK PLAN**

HOW TO APPLY TO THE PLAN

The eight bullet of the third paragraph is amended as follows:

In completing the application, the producer must be certain that

- the original application form or the original application produced by EASi is mailed to the California Automobile Assigned Risk Plan. ~~For private passenger and commercial applicants, the~~ The effective date and time of coverage may be established by telephone using EEDP. ~~For private passenger applicants, the effective date and time of coverage may be established electronically by application transmittal using or~~ EASi. If application is made without using EEDP or EASi, coverage shall be effective on the date following receipt of the application in the Plan Office.

ELECTRONIC FORMAT

The first paragraph is amended as follows:

The following Plan materials are available in electronic format by accessing www.aipso.com/ca:

- California Automobile Assigned Risk Plan Manual of Rules and Rates
- Application Forms-Private Passenger and Commercial Rates (Form AIP 126E (7/00))
 - Plain Paper Application (Downloadable)
 - EASi Application (Sample Only)

Note: ~~For private passenger risks, EASi offers an electronic private passenger and commercial application forms featuring immediate coverage and transmission to the Plan Office. Samples~~ can be viewed on the California Plan website.

- Supplemental Operator Schedule
- Supplemental Vehicle Schedule
- Electronic Effective Date Retraction Request Form
- Insurer Complaint Form
- Application for Producer Certification
- Electronic Effective Date Procedure Pamphlet
- Electronic Application Submission Interface Procedure Pamphlet
- ~~Violation / Complaint Code Listing~~
- Order Form

Sec. 1. DEFINITIONS

*The following **definitions** are amended as follows:*

“Application” means the current CAARP Form(s), including the electronic application forms produced by the Electronic Application Submission Interface, which all applicants must complete.

“Electronic Application Submission Interface (EASI)” means the Program procedure whereby producers may establish the date and time of coverage for private passenger ~~nonfleet~~ and commercial risks by completion of an on line application form and its transmittal to the Plan Office.

Sec. 20. PERFORMANCE STANDARDS FOR PRODUCERS WRITING CALIFORNIA AUTOMOBILE ASSIGNED RISK PLAN RISKS

Paragraph A.5 is amended as follows:

A. Original Application

5. When an applicant who has received an electronic effective date through EEDP or EASI decides not to accept the coverage through the Plan before the original paper application has been submitted to the Manager, the producer shall send the appropriate Electronic Effective Date Retraction Form together with the original paper application to the Manager within four working days after the applicant decides not to accept the coverage through the Plan. A producer shall not be assessed for such violations unless the producer has failed to return such forms at least three times in six months.

Sec. 41. APPLICATION REQUIREMENTS

The first paragraph is amended as follows:

Any applicant desiring insurance coverage through the Plan shall submit a completed application form or the original application produced by EASi and the full annual premium or deposit as prescribed in Section 44. The application shall not be a reproduction or a computer produced form other than an original paper application generated by EASi.

Sec. 46. APPLICATION FOR ASSIGNMENT, DESIGNATION OF SERVICING CARRIER, EVIDENCE OF INSURANCE, AND EFFECTIVE DATE OF COVERAGE

New Paragraph C.3 is introduced as follows: (Current paragraphs C.3 through C.8 are redesignated as paragraphs C.4 through C.9)

C. Effective Date of Coverage

For purposes of Section 46, the postmark which is to be recognized by the Plan Office shall be the postmark of the United States Postal Service. A metered mail postmark, computer generated electronic stamp, or other postage service or stamp shall not be considered a postmark of the United States Postal Service for the purposes of effecting coverage.

The Plan shall provide for effective dates of coverage consistent with all of the following:

3. Electronic Application Submission interface (EASi)

- a. Producers who are certified by the Plan shall have the option to use EASi to establish the effective date of coverage if the applicant requires that the coverage applied for become effective at the time of application. Coverage will be effective only when the electronic application is transmitted under the procedures established by the Plan.

The Manager shall establish and maintain a toll free number for producer technical support as part of EASi. The manager shall maintain sufficient capacity to provide system access and transmittal, in a timely manner, of completed on line applications by means of EASi.

EASi shall be available only to producers who are certified by the Plan.

The producer who completes, signs, and dates the application using EASi may not transmit the application until the deposit has been received and the application for coverage has been completed.

b. Immediate Coverage

Coverage shall be effective at the date and time of transmission of the electronic application provided all of the following requirements are met:

- (1) The producer and applicant certify on the application, under penalty of perjury, the date and time that the application was completed, signed, and dated.
- (2) The producer uses EASi sect forth in Section 46.C.3.
- (3) The paper application form generated by EASi, required documentation, and required deposit are mailed to the Manager no later than two working days following the date the application is completed, signed, and dated. The mailing date is established by the United States Postal Service postmark on the envelope enclosing the application. If the paper application, required documentation, and deposit are not mailed to the Plan Office in accordance with this subsection, coverage shall be effective at 12:01 a.m. on the day following receipt of the paper application and deposit by the Plan Office.

c. Future Effective Date of Coverage

In the event a future effective date of coverage is requested by the producer of record, coverage shall be become effective as of 12:01 A.M. on the future date, provided all of the following are met:

- (1) The requested effective date of coverage shall not exceed 45 days from the date of completion of the application.
- (2) The producer and applicant certify under penalty of perjury on the paper application generated by EASi the date and time that the application forms were completed, signed, and dated.
- (3) The producer uses EASi adopted pursuant to section 46.C.3.
- (4) The paper application form generated by EASi, required documentation, and required deposit are mailed to the Manager no later than two working days following the date the application forms are completed, signed, and dated. The mailing date is established by the United States Postal Service postmark

on the envelope enclosing the paper application. If the paper application, required documentation, and deposit are not mailed to the Plan Office in accordance with this subsection, coverage shall be effective at the future effective date or at 12:01 a.m. on the day following receipt of the application and deposit by the Plan Office, whichever is later.

d. Retraction Procedure

Following assignment of an EASi reference number and prior to the mailing of a completed signed application to the Plan, the producer shall be authorized to rescind coverage bound pursuant to EASi if

- (1) the producer discovers a material error in an application;
- (2) the applicant has notified the producer of record that coverage through the Plan is no longer required; or
- (3) the producer of record has, in error, requested more than one EASi reference number for the same application.

The producer of record shall retract or void an unwanted EASi reference number by completing an Electronic Effective Date Retraction Request Form within 24 hours of the date and time of transmittal of the electronic application to the Plan Office. The producer must forward the completed Electronic Effective Date Retraction Request Form and forward it to the Plan within the next four days. Failure to mail the retraction in accordance with this subsection will result in assessment of a violation against the producer if the producer has failed to return such forms three times in six months consistent with Section 20 of the Plan of Operations..

34. If the application is made without using EEDP or EASi (including submission by mail or delivery by means other than the United States Postal Service), or if there is not compliance with the provisions of ~~Section 46.C.3~~ Section 46.C.2.b or ~~Section 46.C.3.b~~, coverage shall be effective as of 12:01 A.M. on the date following receipt of the paper application in the Plan Office unless a future effective date is requested or an in-force policy is terminating.
45. If the applicant desires coverage on a date later than that which would otherwise be fixed pursuant to this Section, the applicant shall indicate that date and the Manager shall fix the effective date of coverage as of 12:01 A.M. on the desired date of coverage. However, no date shall be later than 45 days after the date of application.
56. In the event there is in force a policy terminating at a date later than the date that would be fixed pursuant to ~~this Section~~ Sections 46.C2 through 4 and the applicant indicates such date in his application, the Manager shall fix the date

when coverage becomes effective as 12:01 A.M. on the stated termination date of such policy.

- ~~67.~~ The effective date of coverage for an additional vehicle to be added to an in-force policy or for other coverage to be added to an in-force policy shall not be subject to the requirements of ~~this Section~~ Sections 46.C.2 through 4, but shall be governed by the terms of the policy and the provisions of Section 47.
- ~~78.~~ In order to provide evidence of a requested effective date, the producer of record shall maintain records in accordance with Section 20.G for all risks for which he or she has designated the time and date of coverage.
- ~~89.~~ Where EEDP and EASi ~~is~~ are disrupted due to fire, earthquake, explosion, civil unrest, or similar disaster or emergency, the producer may bind coverage up to one day prior to the time the paper application forms and deposit are mailed to the Manager, as established by the United States Postal Service postmark on the envelope in which the application was enclosed. In no event shall coverage be effective prior to the date and time the application is completed, signed, and dated.